

State Registration Number
N0879

**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number
MI-ROP-N0879-2022

Morgan Olson, LLC

State Registration Number (SRN): N0879

Located at

1861 Centreville Road and 1801 South Nottawa Street, Sturgis, St. Joseph County, Michigan 49091

Permit Number: MI-ROP-N0879-2022

Staff Report Date: November 1, 2021

This Staff Report is published in accordance with Sections 5506 and 5511 of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451). Specifically, Rule 214(1) of the administrative rules promulgated under Act 451, requires that the Michigan Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD), prepare a report that sets forth the factual basis for the terms and conditions of the Renewable Operating Permit (ROP).

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RENEWABLE OPERATING PERMIT

November 1, 2021 - STAFF REPORT

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Purpose

Major stationary sources of air pollutants, and some non-major sources, are required to obtain and operate in compliance with an ROP pursuant to Title V of the federal Clean Air Act; and Michigan's Administrative Rules for Air Pollution Control promulgated under Section 5506(1) of Act 451. Sources subject to the ROP program are defined by criteria in Rule 211(1). The ROP is intended to simplify and clarify a stationary source's applicable requirements and compliance with them by consolidating all state and federal air quality requirements into one document.

This Staff Report, as required by Rule 214(1), sets forth the applicable requirements and factual basis for the draft ROP terms and conditions including citations of the underlying applicable requirements, an explanation of any equivalent requirements included in the draft ROP pursuant to Rule 212(5), and any determination made pursuant to Rule 213(6)(a)(ii) regarding requirements that are not applicable to the stationary source.

General Information

Stationary Source Mailing Address:	Morgan Olson, LLC 1801 South Nottawa Street Sturgis, Michigan 49091
Source Registration Number (SRN):	N0879
North American Industry Classification System (NAICS) Code:	336211
Number of Stationary Source Sections:	1
Is Application for a Renewal or Initial Issuance?	Renewal
Application Number:	202000155
Responsible Official:	Philip Ownbey, President 269-659-0205
AQD Contact:	Chance Collins, Environmental Quality Analyst 269-254-7119
Date Application Received:	October 20, 2020
Date Application Was Administratively Complete:	October 20, 2020
Is Application Shield in Effect?	Yes
Date Public Comment Begins:	November 1, 2021
Deadline for Public Comment:	December 1, 2021

Source Description

Morgan Olson, LLC (Facility) is located in an industrial area approximately one and a half miles southwest of downtown for the city of Sturgis. The facility produces truck bodies that are used for delivery trucks. The truck bodies are primarily aluminum, but some are partially plastic. The production includes the building, undercoating, and finish coating of the bodies, as well as assembly of the finished motorized vehicle. The processes include spray coating, hand wiping, caulking, and sealant application.

The following table lists stationary source emission information as reported to the Michigan Air Emissions Reporting System (MAERS) for the year **2020**.

TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Carbon Monoxide (CO)	0.1
Nitrogen Oxides (NO _x)	0.71
Particulate Matter (PM)	2.34
Volatile Organic Compounds (VOCs)	73.7

See Parts C and D in the ROP for summary tables of all processes at the stationary source that are subject to process-specific emission limits or standards.

Regulatory Analysis

The following is a general description and history of the source. Any determinations of regulatory non-applicability for this source are explained below in the Non-Applicable Requirement part of the Staff Report and identified in Part E of the ROP.

The stationary source is in St. Joseph County, which is currently designated by the United States Environmental Protection Agency (USEPA) as attainment/unclassified for all criteria pollutants.

The stationary source is subject to Title 40 of the Code of Federal Regulations (CFR) Part 70, because the potential to emit of volatile organic compounds exceeds 100 tons per year and the potential to emit of any single HAP regulated by Section 112 of the federal Clean Air Act, is equal to or more than 10 tons per year and/or the potential to emit of all HAPs combined is equal to or more than 25 tons per year.

The stationary source is considered a “synthetic minor” source in regard to the Prevention of Significant Deterioration regulations of 40 CFR 52.21 because the stationary source accepted legally enforceable permit conditions limiting the potential to emit of volatile organic compounds to less than 250 tons per year. EUCEWIPE, EUPAINTBOOTHs, EUP5WIPE, EUP1PARTS1, EUFINAL, EUP1TUBOOTH1, EUP1UBOOTH, EUP1TUBOOTH2, EUCOLDCLEANERS, EUSEALANT, and EUMISC-VOC at the stationary source are subject to the National Emission Standard for Hazardous Air Pollutants for Surface Coating of Miscellaneous Metal parts and Products promulgated in 40 CFR Part 63, Subparts A and MMMM.

EUCEWIPE, EUPAINTBOOTHs, EUP5WIPE, EUP1PARTS1, EUFINAL, EUP1TUBOOTH1, EUP1UBOOTH, EUP1TUBOOTH2, EUCOLDCLEANERS, EUSEALANT, and EUMISC-VOC at the stationary source are subject to the National Emission Standard for Hazardous Air Pollutants for Surface Coating of Miscellaneous Plastic Parts and Products promulgated in 40 CFR Part 63, Subparts A and PPPP.

PTI No. 94-19 was approved on November 21, 2019 for the addition of PaintWest, PaintEast, PaintMulti, and PaintSmall portions of EU COATING to be equipped with Permanent Total Enclosure (PTE). The facility decided against these additions and PTI No. 94-19 is in the process of being voided.

The AQD's Rules 287 and 290 were revised on December 20, 2016. FGRULE287(2)(c) and FGRULE290 are flexible group tables created for emission units subject to these rules. Emission units installed before December 20, 2016, can comply with the requirements of Rule 287 and Rule 290 in effect at the time of installation or modification as identified in the tables. However, emission units installed or modified on or after December 20, 2016, must comply with the requirements of the current rules as outlined in the tables.

The monitoring conditions contained in the ROP are necessary to demonstrate compliance with all applicable requirements and are consistent with the "Procedure for Evaluating Periodic Monitoring Submittals."

No emission units have emission limitations or standards that are subject to the federal Compliance Assurance Monitoring rule pursuant to 40 CFR Part 64, because all emission units at the stationary source either do not have a control device or those with a control device do not have potential pre-control emissions over the major source thresholds.

Please refer to Parts B, C and D in the draft ROP for detailed regulatory citations for the stationary source. Part A contains regulatory citations for general conditions.

Source-Wide Permit to Install (PTI)

Rule 214a requires the issuance of a Source-Wide PTI within the ROP for conditions established pursuant to Rule 201. All terms and conditions that were initially established in a PTI are identified with a footnote designation in the integrated ROP/PTI document.

The following table lists all individual PTIs that were incorporated into previous ROPs. PTIs issued after the effective date of ROP No. MI-ROP-N0879-2017 are identified in Appendix 6 of the ROP.

PTI Number			
54-96	275-95	633-94	59-94
544-91	732-84A	157-82B	92-09
367-07B	247-09		

Streamlined/Subsumed Requirements

This ROP does not include any streamlined/subsumed requirements pursuant to Rules 213(2) and 213(6).

Non-applicable Requirements

Part E of the ROP lists requirements that are not applicable to this source as determined by the AQD, if any were proposed in the ROP Application. These determinations are incorporated into the permit shield provision set forth in Part A (General Conditions 26 through 29) of the ROP pursuant to Rule 213(6)(a)(ii).

Processes in Application Not Identified in Draft ROP

The following table lists processes that were included in the ROP Application as exempt devices under Rule 212(4). These processes are not subject to any process-specific emission limits or standards in any applicable requirement.

PTI Exempt Emission Unit ID	Description of PTI Exempt Emission Unit	Rule 212(4) Citation	PTI Exemption Rule Citation
EUPROPANETANKP1	Two (2) Propane storage tanks, less than 40,000 gallons, located at Plant 1	R 336.1284(2)(b)	R 336.1212(4)(c)
EUPROPANETANK5	Propane storage tank, less than 40,000 gallons, located in Plant 5	R 336.1284(2)(b)	R 336.1212(4)(c)
EUGASTANK	800 gallon gasoline storage tank	R 336.1284(g)	R 336.1212(4)(c)
EUDIESELTANK	1,000 gallon No.2 diesel fuel storage tank	R 336.1284(d)	R 336.1212(4)(c)
EUMETALFORM	Metal working operations using dust collection	R 336.1285(l)(vi)(B)	R 336.1212(3)(f)
EUGASHEATERS	Fifty-three (53) natural gas fired heaters ranging from 0.002 - 4.4 MMBTU/hr, for a total of 38.48 MMBTU/hr	R 336.1282(b)(i)	R 336.1212(4)(b)

Draft ROP Terms/Conditions Not Agreed to by Applicant

This draft ROP does not contain any terms and/or conditions that the AQD and the applicant did not agree upon pursuant to Rule 214(2).

Compliance Status

The AQD finds that the stationary source is expected to be in compliance with all applicable requirements as of the effective date of this ROP.

Action taken by EGLE, AQD

The AQD proposes to approve this ROP. A final decision on the ROP will not be made until the public and affected states have had an opportunity to comment on the AQD's proposed action and draft permit. In addition, the USEPA is allowed up to 45 days to review the draft ROP and related material. The AQD is not required to accept recommendations that are not based on applicable requirements. The delegated decision maker for the AQD is Rex Lane, Kalamazoo District Supervisor. The final determination for ROP approval/disapproval will be based on the contents of the ROP Application, a judgment that the stationary source will be able to comply with applicable emission limits and other terms and conditions, and resolution of any objections by the USEPA.

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RENEWABLE OPERATING PERMIT

December 13, 2021 - STAFF REPORT ADDENDUM

ROP Number

MI-ROP-N0879-2022

Purpose

A Staff Report dated November 1, 2021, was developed to set forth the applicable requirements and factual basis for the draft Renewable Operating Permit (ROP) terms and conditions as required by Rule 214(1) of the administrative rules promulgated under Act 451. The purpose of this Staff Report Addendum is to summarize any significant comments received on the draft ROP during the 30-day public comment period as described in Rule 214(3). In addition, this addendum describes any changes to the draft ROP resulting from these pertinent comments.

General Information

Responsible Official:	Phillip Ownby, President & CEO 269-503-4084
AQD Contact:	Chance Collins, Environmental Quality Analyst 269-254-7119

Summary of Pertinent Comments

No pertinent comments were received during the 30-day public comment period.

Changes to the November 1, 2021 Draft ROP

No changes were made to the draft ROP.